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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
1998 Biennial Regulatory Review --)	CC Docket No. 98-171
Streamlined Contributor Reporting Requirements)	
Associated With Administration of)	
Telecommunications Relay Services, North)	
American Numbering Plan, Local Number)	
Portability, and Universal Service)	
Support Mechanisms)	

**COMMENTS
OF THE
UNITED STATES TELEPHONE ASSOCIATION**

The United States Telephone Association (USTA) respectfully submits its comments in the above-referenced proceeding. USTA is the principal trade association of the local exchange carrier (LEC) industry. Its members provide over 95 percent of the incumbent LEC-provided access lines in the U.S. USTA's member companies must comply with the reporting requirements at issue in this proceeding.

In a Notice of Proposed Rulemaking (NPRM) and Notice of Inquiry (NOI) released on September 23, the Commission proposes to simplify its filing requirements by utilizing a single work sheet to replace several different forms currently filed which request similar information, but at different times, at different intervals and in different locations. As the Commission observes, these requirements impose real burdens on affected parties. USTA supports this effort to consolidate the reporting requirements for contribution data. USTA has consistently urged the

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Commission to eliminate unnecessary and costly reporting requirements.¹ The time and expense required to compile and file these reports, in addition to the other reporting requirements imposed on incumbent LECs such as ARMIS, divert resources from the business of providing customers with the services they demand. USTA supports the Commission's initiative to develop a less burdensome alternative by consolidating the contribution reports. However, the Commission should also further streamline these reports as suggested herein.

USTA agrees that the Commission should adopt a consolidated contribution report with a uniform filing schedule and location. However, the Commission should be aware that consolidation of the current reports, without eliminating some of the requirements, particularly those which duplicate ARMIS or which are not necessary, will not result in substantial cost savings. Under the current proposal the same information will have to be identified, compiled and reported albeit on one document instead of multiple documents. The Commission's proposal to change the basis for assessing contributions for TRS and NANPA to end user revenue will probably provide the greatest opportunity for cost savings since the additional data required in the current forms would be eliminated. USTA supports that proposal. In addition, electronic filing potentially will reduce the overall cost of the report.

There are only four financial numbers that must be reported: interstate and international gross end user telecommunications revenue; gross end user telecommunications revenue; annual generating revenue; and, gross telecommunications plant. The consolidated report should be streamlined accordingly. Further streamlining can be achieved by no longer requiring USF end

¹USTA Petition for Rulemaking — 1998 Biennial Regulatory Review, September 30, 1998.

user revenue reporting in both April and September. April reporting of prior year's end user revenue should be used for all funds.

The Commission states that it will avoid double counting for TRS by using a single reporting worksheet. However, double counting will not be eliminated for carriers who contribute to USF, and also contribute to TRS, LNP or NANPA. Those carriers will be double counting if they include as end user revenue, sales to de minimis resellers. The Commission has further complicated the process by requiring exempt resellers to contact the carrier that provides service to the exempt reseller and requiring the contributing carrier to include the resellers' revenues in calculating its universal service obligation. Shifting the reseller's obligation to the underlying carrier has created an administrative burden for both the reseller and the contributing carrier and has effectively transferred the reseller's obligation to the underlying carrier which is not competitively neutral. The Commission can resolve this problem by spreading the contributions that exempt carriers would have made across all contributing carriers, not just the carriers whose services are being resold. This will ensure that certain resellers remain exempt in a non-discriminatory, competitively neutral manner.

In addition, USTA recommends additional changes. First, rather than requiring the reporting of other contributor revenue, a yes/no response should be used. Other contributor revenue does not impact the dollar value a de minimis carrier would report for either LNP or NANPA. The existence of revenue, not the value thereof, is the only information which should be reported. Second, on Line 402, in addition to reporting gross telecommunications plant, the Commission should permit the reporting of annual operating revenue as required by Section 43.21(c). The NPRM's proposed calculation using gross billed revenue does not result in annual

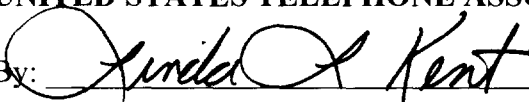
operating revenue. Both Line 402 amounts would be excluded from proprietary treatment and no reference to other blocks on the consolidated form are required. Third, Lines 411 and 414 in Block 7 can be combined since both lines provide criteria for exemption from TRS contributions requirements. Fourth, all future changes to the consolidated form must be released for public comment to ensure that unnecessary data is not added or that the contribution base is not arbitrarily altered. Finally, the certification for confidential treatment through checking a box on the worksheet will save time and should be adopted.

In the NOI portion of its proposal, the Commission has recommended the use of one agent for billing and collection of all funds. Consistent with the guidelines presented in its Petition for Rulemaking, USTA recommends that the Commission conduct a cost/benefit analysis to determine whether such a proposal will lower administrative costs sufficiently to offset any increase in costs associated with the new billing and collection administrator.

USTA urges the Commission to adopt its proposal as recommended herein.

Respectfully submitted,

UNITED STATES TELEPHONE ASSOCIATION

By:  _____

Its Attorneys:

Lawrence E. Sarjeant
Linda L. Kent
Keith Townsend
John W. Hunter

1401 H Street, NW, Suite 600
Washington, D.C. 20005
(202) 326-7248

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